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Manzullo backs firms that hire U.S. workers

The representative will visit a Seward manufacturer to promote his proposal.

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U.S. Rep. Don Manzullo, the Ogle County Republican, will stage a media event today to tout legislation he's sponsoring that would give tax breaks to companies that keep their manufacturing operations in the United States.

The Jobs Protection Act, as Manzullo calls it, would establish a sliding scale of tax rates based on how much work U.S. manufacturers farm out to their foreign subsidiaries. The measure is supported by Boeing, Caterpillar and several other big corporations.



Don
Manzullo

But a number of other major companies are pushing a competing bill sponsored by Rep. Bill Thomas, chairman of the House Ways and Means Committee. That legislation would grant tax breaks to multinational corporations that do a lot of work

overseas.

Manzullo will promote his bill during an appearance at Seward Screw Products in western Winnebago County.

In the past three years, manufacturing jobs in the Rock River Valley have declined by an estimated 8.5 percent, a higher rate than in Illinois and the nation as a whole. **Please see 1D**

Business

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Bill cuts corporate income tax

By GARY B. GRAY
Rockford Register Star

ROCKFORD — U.S. Rep. Don Manzullo will visit a manufacturer in rural Winnebago County today to promote his plan for keeping U.S. factory jobs from going overseas.

The so-called Jobs Protection Act would reduce the corporate income tax up to 10 percent for domestic companies that have all of their operations in the United States. Manufacturers with some foreign subsidiaries would see their income-tax rate reduced on a sliding scale.

The bill, drafted by Manzullo, would reduce the corporate

income tax from 35 percent to a maximum 31.5 percent. It has the support of corporations such as Boeing, United Technologies Corp., Caterpillar and Microsoft.



Don
Manzullo

But an alternative plan in Congress could change, delay or trump Manzullo's effort.

U.S. Rep. Bill Thomas, chairman of the powerful House Ways and Means Committee, supports a proposal that would provide tax breaks to multinational companies with extensive overseas

operations.

That plan, supported by Coca Cola, Ford and Motorola, is intended to level the playing field for U.S. companies with major overseas operations.

Manzullo, chairman of the U.S. House Small Business Committee, said his bill would reward companies for keeping factories open at home. The huge numbers of laid-off manufacturing employees need their jobs back if America's economy is to see a full recovery.

Since July 2000, more than 2.2 million manufacturing employees nationwide lost their jobs, 12 percent of the overall

manufacturing work force.

The number of manufacturing jobs in Illinois fell by 7.3 percent, and manufacturing employment in Boone, Ogle and Winnebago counties declined at an even higher rate of 8.5 percent.

Manzullo will unveil the proposal at Seward Screw Products Inc. in Seward. The bill is co-authored by U.S. Reps. Phil Crane, R-Ill., and Charles Rangle, D-N.Y. It is expected to hit the House floor in May.

The bill comes about eight months after the World Trade Organization ordered the United States to remove a tax subsidy for its exporters. The WTO

has given the European Union authority to impose \$4 billion in retaliatory tariffs annually against U.S. exports if the subsidy program is not repealed by the end of this year.

Manzullo's proposal would repeal the subsidy program.

Derek Sherman, Rockford Area Council of 100 international director, said the Manzullo plan would be an "accounting burden" but expressed support for the bill.

"Anything we can do to keep jobs here is important," he said. "The plan would be WTO-compliant."

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